

Metro Bank

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Metro Bank the big winner from first round of £775m RBS funding

Metro Bank PLC (LON:MTRO) is the big winner from the first round of grants from a £775m funding pot aimed at shaking up the UK banking sector.

The challenger bank has been awarded £120m from **Banking Competition Remedies** - the independent body set up to distribute the funds.

READ: UK banks to find out on Friday if they've secured slice of £775m RBS pot

"Securing this award from BCR allows us to accelerate our plans to revolutionise banking for SMEs," said Metro chief executive Craig Donaldson.

"It will help us bring much-needed competition to the underserved SME hotspots in the North while investing in our digital capabilities and creating new jobs."

Starling Bank and ClearBank were the other victors, bagging £100m and £60m, respectively.

Money part of RBS' bailout

"These awards seek to increase competition in the business banking market and to improve the financial products and services available to SMEs," said BCR chairman Godfrey Cromwell.

"Following the successful launch of the Incentivised Switching Scheme by BCR last year, Pool A is the first group of grants from the Capability and Innovation Fund."

The money is coming from Royal Bank of Scotland Group PLC (LON:RBS) as part of the terms of its £45bn government bailout back in 2008.

After the state-backed bank scrapped plans to sell off its Williams & Glyn business to Santander, it was forced to set aside the funds to encourage those customers to switch to other lenders.

The government hopes the extra cash will boost small banks and improve High Street competition.

Still chance for CYBG et al

So far only £280m of the £775m pot has been dished out and there are still three more rounds of grants, so the likes of Virgin Money owner CYBG PLC (LON:CYBG) and Monzo still have a chance to secure a slice of the cash.

Other firms known to have qualified for the scheme include TSB, the Co-Op Bank and Nationwide Building Society.

Before the first round of grants had been announced, City analysts had expected CYBG, Metro and TSB to be the frontrunners to scoop the biggest slice of the pie.

Price: 220.8

Market Cap: £380.7 m

1 Year Share Price Graph



Share Information

Code: MTRO

Listing: AIM

52 week High Low
2248 155.2

Sector: Banks

Website:

Company Synopsis:

Metro Bank is a revolutionary high street bank that provides our customers with unparalleled levels of service and convenience. Founded in 2010, we were the UK's first new high street bank in more than 100 years. Through our unique customer-focused business we are reinventing the rules of retail banking to make things simpler and more convenient, and provide customers with an amazing banking experience.

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Metro shares rose 5.1% to 1,370p on Friday morning, while CYBG, one of those who missed out, dropped 5.9% to 185.7p.

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